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FILED
MAY - 4 2005
UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA

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| In re<br><br>MICHAEL W. CONNELL and<br>SANDRA L. CONNELL,<br><br>Debtors. | Case No. 04-30669-C-7 |

**FINDINGS OF FACT AND CONCLUSIONS OF LAW ON MOTION TO REDEEM COLLATERAL**

These findings of fact and conclusions of law are rendered in this contested matter pursuant to Federal Rule of Civil Procedure 52 as incorporated by Federal Rules of Bankruptcy Procedure 7052 and 9014.

Jurisdiction

Jurisdiction is founded upon 28 U.S.C. § 1334. This is a core proceeding. 28 U.S.C. § 157(b)(2)(G).

Findings of Fact

On December 27, 2004, debtors filed a motion to reaffirm an obligation owed to Les Schwab Tire Centers of California, Inc ("Creditor"). On February 1, 2005, a hearing was held on debtors' motion, whereat debtor appeared and no appearance was made by the creditor.

At the hearing, debtor made an oral motion to redeem the collateral for its fair market value under 11 U.S.C. § 722.

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The collateral, spectrum tires, secures a debt owed to creditor. Debtors represented that the fair market value of this collateral is $25.00.

On February 3, 2005, a civil minute order was entered on docket deeming debtors' motion to reaffirm a motion to redeem spectrum tires for a total of $25.00 and continuing the matter to May 3, 2005 at 8:45 a.m.

No opposition to the motion was filed. Upon review of the record, the court determined that the written record was adequate and that no oral argument is necessary.

## Conclusions of Law

Under 11 U.S.C. § 722, a debtor may redeem consumer collateral by "cashing out" a creditor for the fair market value of the collateral. The fair market value of the collateral is determined to be $25.00.

Accordingly, the motion to redeem the collateral for $25.00 will be granted.

An appropriate order will issue.

Dated: May 3, 2005

UNITED STATES BANKRUPTCY JUDGE

**CERTIFICATE OF SERVICE**

On the date indicated below, I served a true and correct copy(ies) of the attached document by placing said copy(ies) in a postage paid envelope addressed to the person(s) hereinafter listed and by depositing said envelope in the United States mail or by placing said copy(ies) into an interoffice delivery receptacle located in the Clerk's Office.

Michael and Sandra Connell
13619 S Park Drive
Magalia, CA 95954

Linda Schuette
P.O. Box 743
Palo Cedro, CA 96073-743

Les Schwab Tire Centers of California
Attn: Credit Department
P.O. Box 667
Prineville, OR 97754-0667

Dated: 5-5-05

Marilyn Rigsby
Deputy Clerk

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA

CERTIFICATE OF MAILING

The undersigned deputy clerk in the office of the United States Bankruptcy Court for the Eastern District of California hereby certifies that a copy of the document to which this certificate is attached was mailed today to the following entities listed at the address shown on the attached list or shown below.

Office of the U.S. Trustee
501 I St., #7-500
Sacramento, CA 95814

DATED: 5/5/05

By: Marilyn Mashy
Deputy Clerk

EDC 3-070 (New 4/21/00)